

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6845

BILL NUMBER: SB 202

NOTE PREPARED: Jan 27, 2004

BILL AMENDED: Jan 26, 2004

SUBJECT: Wage Payment Issues.

FIRST AUTHOR: Sen. Young R Michael
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides a procedure for an employer to deduct amounts due to the employer from an employee from unpaid wages due to the employee. It exempts employees who are classified as exempt under the federal Fair Labor Standards Act from the state provisions concerning wage payment. The bill permits a wage assignment for the payment of uniforms, the payment of tools and equipment, or tuition repayment. This bill also establishes a fee for issuing a replacement payroll check in certain circumstances.

The bill repeals and relocates a provision making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than the price the merchandise or supplies are sold to the public. The bill repeals a provision requiring an employer to pay employees in commercial paper. It repeals a duplicate provision concerning frequency of wage payments to employees. The bill repeals an obsolete provision concerning liens of laborers.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The impact on the state and local governments would be as an employer and should be a minor impact, if any.

The provisions exempting employees who are classified as exempt under the federal Fair Labor Standards Act from the provisions dealing with wage payment should have no impact.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.